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The following estimates, forecasts, and projections are mainly taken from recent publications of the National Agricultural Statistics Service, Economic Research Service, and the World Agricultural Outlook Board of the USDA.

♦**Sugarcane.** The U.S. sugarcane production for sugar and seed in 1997 was estimated at 31.1 million tons, up 6% from 1996. If realized, this would be a record production for sugarcane growers. The area for harvest, at 915,500 acres, was 3% above last year and the forecasted yield at 34.0 tons per acre was 0.9 tons above 1996.

♦**Oranges.** The all orange production for the 1997-98 season is forecast at a record large 14.3 million tons, up 12% from last season's record production. Florida is the leading orange producing State with 80% of the total production.

♦**Crop Values.** The value of U.S. crops produced in 1997 was estimated at 108.8 billion dollars, up fractionally from the 1996 value of 108.4 billion dollars. Field and miscellaneous crops accounted for 80%, fruits and nuts 11.5%, and commercial vegetables 8.5% of the total 1997 Crop Value. Based on value of production, California was the leading crop state with a value of 15.6 billion dollars, approximately double Iowa the second leading state at 7.8 billion dollars. California accounts for about 57% of the value of fruits and nuts, 52% of the commercial vegetables, but only 4% of the field crops. Iowa was the leading field crop state followed by Illinois, Minnesota, Nebraska, and Texas. These 5 states accounted for just over one third of the field crop value. Corn, valued at 24.4 billion dollars, was the leading crop followed by soybeans at 17.7 billion dollars, all hay at 13.4 billion dollars, all wheat at 8.6 billion dollars and cotton at 6.1 billion dollars. These five crops account for 81% of the total field crop value and 65% of the value of all crops.

♦**Cattle.** February 1 **cattle on feed** in U.S. feedlots with capacity of 1,000 or more head totaled 10.79 million head, up 4% from a year earlier. Placements were down 9% from the previous year. Marketings of fed cattle were 1% below 1997. The year-to-year relationship between fed cattle marketed and commercial slaughter was affected by the decrease in cattle imported from Canada that are going directly to slaughter. At mid-February, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$60 per cwt., down \$2.00-3.00 from mid-January. Large feedlot inventories will continue to pressure prices in the near-term. However, fed cattle prices should improve to the low \$70's per cwt toward the end of 1998. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$75 per cwt at mid-February, down \$2.00 from mid-January.

♦**Hogs.** Hog slaughter during January was up 11% from the previous year. Average live weight was up 2 pounds from the previous year at 259 pounds. Prices at mid-February (Iowa-Southern Minnesota direct, 230-250 pounds) were \$34-35 per cwt, down \$1.00-2.00 from mid-January.

♦**Other Livestock.** January **milk production** was up 2% from the previous year. Production per cow rose 3% which more than offset the 1% decrease in cow numbers. The January **Basic Formula Price (BFP)** was \$13.25 per cwt, down 4 cents from December. **Cheddar cheese prices** (U.S. 40-pound blocks, wholesale) decreased 0.8 cents the first week of February but increased 0.6 cents the second week. This suggests that the February BFP will likely be unchanged. During December, total **cheese** production was up 0.9% from the previous year, **butter** production was up 4.5%, and **nonfat dry milk** production was up 0.1%. January 1 **all sheep and lamb** inventory decreased 4% from 1997. Breeding sheep inventory declined 5%, whereas, market sheep and lambs were down fractionally. Sheep slaughter for January totaled 309,500 head, up 2% from last year's number. The number of **layers** in U.S. flocks

on hand January 1 was 2% above a year earlier with table egg layers up 1%, broiler-type hatching up 6%, and egg-type hatching down 8%. U.S. **egg production** for the 1st quarter of 1998 is expected to be up about 2% from a year ago. During December, **egg production** was up 2% from the previous year. **Market egg production** was up 1% while **hatching** egg production was up 5%. Market **egg prices** for the 1st quarter of 1998 are expected to average 6 cents per dozen below a year ago. For the week ending February 14, cumulative **broiler placements** for 1998 in the 15 selected states was slightly above the same period a year earlier. The **broiler hatch** for January 1998 was up 2% from a year ago. Prices for first quarter 1998 are also expected to average about 54 cents (12-city), 6 cents below a year earlier. **Turkey production** during the first quarter of 1998 is expected to be down 2% from a year ago. Prices (8-16 lb hens, Eastern Region) for the 1st quarter of 1998 are expected to average 55-57 cents per pound compared with 58.9 cents a year earlier. **Supplies in refrigerated warehouses** the end of January compared with a year earlier were: chicken down 9%, turkeys up 24%, pork up 31%, beef up 13%, cheese down 1%, and frozen orange juice up 28%.

♦**Trade.** February **trade projections** for corn and soybeans were further reduced due to the Asian financial crisis. February projections for the volumes of **exports** for the 1997/98 marketing years compared to 1996/97 are: **wheat** up 7%, **corn** down 9%, **soybeans** up 9%, **rice** up 1%, and **cotton** up 6%. February projections for the volumes of meat exports in calendar 1998 compared to 1997 are: **beef** down 6%, **pork** down 5%, **broilers** up 2%, and **turkeys** up 4%. The U.S. **trade deficit** increased to \$113.7 billion in 1997, the highest level in 9 years. The trade deficit for December increased to \$10.8 billion from \$8.7 billion in November. The **agricultural trade** surplus was \$1.98 billion in December compared with \$2.64 billion in November.

♦**Prices.** The **PPI** fell 0.7% in January; this followed a decrease of 0.2% in December. For the 12- month period ending in January, the PPI decreased 1.8%. The January **prime rate**, at 8.5%, was unchanged since April 1997 and compares with 8.25% a year earlier. Compared to a year earlier, **feed** prices in January were down 3%, **feeder livestock and poultry** prices up 8%, **fertilizer** down 9%, **ag chemicals** up 2%, **farm machinery** up 2%, **seeds** up 3%, and **fuels** down 24%. **Grazing fees** in the 17 Western States for livestock on private land averaged \$11.00 per animal unit month during 1997, up 4.8% from 1996. The U.S. January 1998 **hourly wage rate** paid by farmers to field and livestock workers was \$6.98, up 6% from January 1996.

♦**World Weather** (February 8-14). Over-wintering conditions remained favorable for winter grains in the former Soviet Union countries. Unusually mild weather caused winter grains to begin easing out of dormancy in Western Europe and rapidly melted snow in the east. In Australia soaking rain covered primary sorghum and cotton areas, likely causing some flooding. Scattered showers in South Africa brought some relief to reproductive corn. Unseasonably warm weather caused winter wheat to lose hardiness across the North China Plain. Drier weather reduced summer crop disease potential across central Argentina, while showers maintained beneficial moisture for soybeans in southern Brazil. Temperatures were near normal across the South but unseasonably high elsewhere across the **United States**. In the northern High Plains, where very little precipitation has fallen since early October, temperatures were as much as 15 degrees above normal. In the central Plains, wet snow and rain increased moisture supplies for winter wheat. Some snow fell in the Texas Plains but was minimally beneficial to the winter wheat crop. There was light precipitation in the Corn Belt. Continued heavy rains along the Pacific Coast damaged small grains in California.

♦**Other News.** Dry conditions on the Canadian Prairies and the Asian financial crisis could result in **less Canadian wheat** acreage and more higher-priced oilseeds. U.S. **beef and pork exports are likely to fall** in 1998, and poultry exports will see lower growth, due largely to declining sales to South Korea and Japan. Total farm business debt at year-end 1997 is estimated at 162.2 billion, up 3.6% from a year earlier, but 16.3% below the 1984 peak. Total **farm business debt is expected to rise about 3.4% in 1998** with nonreal and real estate loans increasing about 3% and 4%, respectively, about the same as in 1997. **Interest rates** on farm loans made in 1998 are expected to maintain their current levels with little volatility throughout the year.

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